

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 954

Short Title: Clarify Hospital Property Tax.

(Public)

Sponsors: Representatives C. Wilson; and Owens.

Referred to: Finance.

April 8, 1999

A BILL TO BE ENTITLED

AN ACT TO LIMIT THE HOSPITAL PROPERTY TAX EXEMPTION TO CERTAIN PROPERTY USED AND OWNED BY A HOSPITAL ORGANIZED FOR A CHARITABLE PURPOSE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-278.8 reads as rewritten:

"§ 105-278.8. Real and personal property used for charitable hospital purposes.

(a) ~~Real and personal property held for or owned by a hospital organized and operated as a nonstock, nonprofit, charitable institution (without profit to members or their successors) shall be exempted from taxation if actually and exclusively used for charitable hospital purposes.~~

(b) ~~Notwithstanding the exclusive use requirements of subsection (a), above, if part of a property that otherwise meets that subsection's requirements is used for a purpose that would require exemption under that subsection if the entire property were so used, the valuation of the part so used shall be exempted from taxation.~~

(c) ~~Within the meaning of this section, a charitable hospital purpose is a hospital purpose that has humane and philanthropic objectives; it is a hospital activity that benefits humanity or a significant rather than limited segment of the community without expectation of pecuniary profit or reward. However, the fact that a qualifying hospital~~

1 ~~charges patients who are able to pay for services rendered does not defeat the exemption~~
2 ~~granted by this section.~~

3 (a) Buildings, and the land they actually occupy, are exempt from taxation if both
4 of the following requirements are met:

5 (1) They are owned by a hospital organized and operated as a nonstock,
6 nonprofit, charitable institution without profit to members or their
7 successors.

8 (2) They are used exclusively as a facility that provides health care or
9 medical care on an inpatient basis for charitable hospital purposes.

10 (b) Notwithstanding the exclusive-use requirements of subsection (a) of this
11 section, if part of a property that otherwise meets that subsection's requirements is used
12 for a purpose that would require exemption under that subsection if the entire property
13 were so used, the valuation of the part so used shall be exempted from taxation.

14 (c) Personal property owned by a hospital and used in a facility meeting the
15 requirements of subsection (a) of this section is exempt from taxation.

16 (d) Within the meaning of this section, a charitable hospital purpose is a hospital
17 purpose that has humane and philanthropic objectives; it is a hospital activity that
18 benefits humanity or a significant rather than limited segment of the community without
19 expectation of pecuniary profit or reward. However, the fact that a qualifying facility
20 charges patients who are able to pay for services rendered does not defeat the exemption
21 granted by this section.

22 (e) The exemption also applies to any of the following facilities owned by the
23 hospital that provide services directly to property that meets the requirements of
24 subsection (a), the employees that work on the property, or the patients that are treated on
25 the property:

26 (1) Food preparation and food service facilities.

27 (2) Clinical, pathological, and other laboratories.

28 (3) Laundries.

29 (4) Residences and training facilities for nurses, physicians, and other staff
30 members.

31 (5) Hospital day care centers used exclusively by the employees."

32 Section 2. This act is effective for taxes imposed for taxable years beginning
33 on or after July 1, 1999.